

REMARKS

Claims 1-2, 4-9, and 11-20 are pending in this application. Claim 1, 2, 4-9, and 11-20 stand rejected under 35 U.S.C. § 102(e). Claims 1, 4, 5, 11, 17, 19, and 20 have been amended. Applicants respectfully request reconsideration of the pending claims 1, 2, 4-9, and 11-20 in light of the amendments and the following remarks.

Rejection of Claims 1-2, 4-9, and 11-20 under 35 U.S.C. § 102(e)

The Office Action rejected Claims 1-2, 4-9, and 11-20 under 35 U.S.C. § 102(e) as being unpatentable over Friend et al., U.S. Patent No. 6,055,517 ("Friend"). Applicants disagree with the Office Action that Friend discloses at least the cash outflow application or period-specific evaluations recited by the pending claims. Applicants have submitted arguments and have further amended the claims to more clearly describe these distinguishing features.

With respect to Claim 1, the Office Action stated that Friends discloses a system that identifies a set of assets, established a criterion for success by reference to a predetermined market value, simulates a plurality of market scenarios on the assets, applies cash outflows to the simulation, and determines whether the market value is satisfied for another period such that if it is not satisfied, the scenario is eliminated. Applicants disagree with the Office Action that Friend applies cash outflows or performs a determination of a market value by reference to a specific period from the simulation. Applicants amended Claim 1 to more clearly highlight these distinguishing features. Specifically, amended Claim 1 now recites "establishing a criterion for success for said user, the criterion for success providing at least one predetermined market value reference associated with at least one period." Thus, the criterion for success is defined within the context of a specific period from within of a simulated scenario. The Office Action stated that Friend establishes a criterion for success providing a market value reference. However, Friend does not define a specific period for which the market value reference is applicable but rather employs a value reference as a continuous baseline level

to determine the frequency that the value falls below a "floor of protection" level. Col. 11, ll. 12-20. Accordingly, Friend does not recite a specific period associated with a predetermined asset market value but rather a continuous floor over the entire simulation.

Friend also fails to disclose applying cash outflows during specified periods in the simulated scenario. As discussed in the specification, unlike prior systems, the system and method of the invention accounts for expected future cash outflow events expected to take place during predetermined periods, this includes both positive and negative (cash increase) outflows. Accordingly, amended Claim 1 recites: "applying predetermined cash outflows for each of said plurality of periods for each said plurality of market scenarios." In other words, for each period for which a simulated scenario is provided, a cash outflow is applied so as to adjust the corresponding market value. Although the Office Action stated that Friends disclosed applying cash outflows for each period in the plurality of market scenarios, Applicants cannot locate such discussion or suggestion in Friend. Rather, Friend's simulation is for the cash flow itself, based on historical and future cash flow expectations. Col. 2, ll. 13-18. Accordingly, Friend does not adjust the asset market value based on cash flow events expected to take place during specific future periods. Hence, Friends does not disclose applying cash outflow as recited by Claim 1.

Finally, Friend does not disclose market value evaluation with respect to second time period, which serves as a basis for eliminating scenarios in the method of Claim 1. Amended Claim 1 recites: "determining for at least one second period, for each said scenario, whether said market value during said at least one second period satisfies said criterion for success of said period; and eliminating any scenario where said market

value does not satisfy said criterion for success during said second period." That is, the method evaluates the market value of the assets over a specific second period to determine whether the corresponding criterion for success has been met, followed by eliminating scenarios if the number of such second periods for which the criterion for success has not been met exceeds a threshold. For example, the system of the invention determines the probability of having a minimum market value for an inquiry such as when a user never wants to have at least 80% probability (number of non-eliminated scenarios greater than 8 of 10) of being able to pay for the kids college (predetermined outflow) over the next six years (second time period), and have at least \$100,000 in their account during the same period (criterion for success). Therefore, Friend evaluates the number of times a value falls below a base level to determine relative risk for the asset mix. Col. 12, 11. 54-61. There are no plurality of periods where each is associated with a specific criterion for success. As may be appreciated, in the method of the invention, the market value may vary between several levels outside of the period of interest. The only period which is of interest to the method of Claim 1 is the specific periods for which a criterion is defined. This is applicable to each period and each corresponding criteria. One example inquiry which includes multiple periods for evaluation against a market value is when a user wants to determine the probability (# non-eliminated scenarios) that they will be able to pay out \$10,000 per month to support the family (cash outflows over first periods) and be able to leave at least \$5 million (criteria for success) to charity if they passed away 5, 10, or 15 years from now (second time periods). Applicants submit that such specific definition of periods for evaluating asset market value is substantially different from employing a floor level in a simulation to determine the number of

fluctuations below the floor. Hence, Claim 1 is allowable over Friend for at least these reasons alone.

Claims 2, and 4-9 depend from Claim 1 and are allowable over Friend for at least the reasons provided above with respect to Claim 1.

With respect to Claim 11, Friend does not disclose at least the establishing a criterion for success in the form of cash outflow or elimination of scenarios by reference to the criterion for success. Claim 11 recites: "establishing a criterion for success, said criterion for success associated with a plurality of cash outflows over a plurality of time periods." Hence, Claim 11 discloses that several cash outflow transactions are established to be undertaken during specific time periods. As discussed above, Friend does not include a plurality of cash outflow events which are injected into the simulation. Claim 11 also recites: "eliminating a scenario if a corresponding criterion for success is not met during a predetermined number of said plurality of said periods." Thus, Claim 1 discloses that if a predetermined number of the above cash outflow events are not possible in a particular scenario, due to low market value during the period, for example, the scenario is eliminated. The likelihood that the criterion for success will be met is then determined by reference to how many scenarios remain. As discussed above, Friend does not eliminate scenarios by reference to predetermined number of failures. Rather, Friend counts the number of time a cash flow falls below a floor to determine proper asset mix for reducing risk. Col. 2, 11. 13-18. As a matter of fact, Friend is not concerned at all with the likelihood for meeting a goal, the system only assesses risk so as to recommend a proper asset mix. Col. 2, 11. 20-23. Therefore, Claim 11 is allowable over Friend for at least these reasons alone.

Claims 12-15 depend from Claim 11 and are therefore allowable over Friend for at least the reasons provided with respect to Claim 11.

With respect to Claim 16, Friend does not disclose at least evaluating the asset market value over specific periods to determine whether to eliminate a scenario. Claim 16 recites in part: "determine whether a market value during a period satisfies said criterion for success associated with said period" and "eliminate any scenario if the market value does not satisfy said criterion for success during a predetermined number of said periods." Hence, determinations take place over predefined periods to evaluate whether a market value has reached a desired level. If the level was not reached for a given number of such periods, the scenario is eliminated, which affects the probability of success determination. As discussed above, Friend does not disclose evaluating asset market value over predefined periods or eliminating scenarios based on how many of those periods did not meet the criterion for success. Therefore, Claim 16 is allowable over Friend for at least these reasons alone.

Claims 17-20 depend from Claim 16 and are allowable over Friend for at least the reasons provided with respect to Claim 16.


SUMMARY

Applicants have provided arguments and amended Claims 1, 4, 5, 11, 17, 19, and 20 to overcome the 35 U.S.C. § 102(e) rejection. In view of the forgoing supporting remarks and amendments, Applicants respectfully request allowance of pending claims 1, 2, 4-9, and 11-20.

If the Examiner wishes to direct any questions concerning this application to the undersigned Applicants' representative, please call the number indicated below.

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